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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

25 June 1962

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Sino-Soviet Relations: The Breach Widens

1. We last examined Sino-Soviet relations in NIE 11-5-62, "Political Developments in the USSR and the Communist World," dated 21 February 1962. At that time the Soviet campaign against Albania was in full swing, Pravda seemed to be threatening the Chinese with a break, and Chinese polemical articles were attacking Khrushchev in all but name. On 22 February the Soviets launched a new and more subtle tactic by dispatching an apparently ingenuous letter to Peiping which, though it suggested setting aside quarrelsome issues, repeated Moscow's insistence upon its authority as the leader of world communism. A lull in open polemics ensued in March and April, but by the beginning of May the two parties were restating their positions with most of their old vigor. And in June, when CEMA met in

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Moscow, there appeared the first signs of an actual organizational separation of the Bloc countries.

The February Gambit

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2. The Soviet letter was not polemical in tone. It restated basic Soviet positions, but without insisting upon them, and refrained from criticizing contrary Chinese views. Upon analysis, however, it is clear that the Soviets were maintaining the substance of their demands. Their proposal was that the Chinese, while they might hold to their separate views, should remain silent about them. In fine, the Chinese were again enjoined to drop their challenge to Soviet leadership. In return, a fairly strong hint of renewed Soviet economic and military assistance was proffered. This proposal was given the character of a last warning in passages which referred to the imperialists' hopes for a "split," the necessity to "avert a break," and the complaint that, unless the deterioration of relations was arrested, "experience shows that a worsening may lead to different understandings of the very aims of our struggle."

* The text available to us is, unfortunately, a rough and incomplete translation.

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3. While awaiting a reply the Soviets relaxed somewhat their public pressures on China and its Albanian ally. During this period, Moscow was evidently hoping that China's economic difficulties would force it to retreat. The Soviet calculations may have gone even further. There is some reason to believe that Moscow regards Chou En-lai as a reasonable man who understands China's critical need for Soviet aid and disapproves of policies which sacrifice this aid to larger political ambitions. The Soviets may have hoped that their proposal, coming at a time when Chinese disasters were multiplying, would help to produce a realignment within the Chinese leadership bringing leaders of this sort to the fore. In this they were disappointed; the National Peoples' Congress which began in late March moderated the internal Chinese line, but this spirit did not carry over into a retreat on Bloc issues, and Chou is reported to have made a vigorous personal attack upon Khrushchev at the Congress.

4. Shortly after the Peiping Congress, the protracted trade talks between the two countries came to an end. The communique, which contained a much-shortened list of commodities to be exchanged and made no reference either to loans

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or moratoriums on outstanding Chinese debts, strongly suggests that the Soviets tightened the economic screws once more. Soviet exports to China had already dropped to \$368 million in 1961, the lowest since Mao came to power and only about one-third the peak reached in 1959. (In fact, the Chinese in 1961 ran an export surplus of \$182 million in their trade with the USSR to make payments on their long-term debt!) At about the same time, polemics picked up again on both sides, although these were, and remain, somewhat more veiled than during previous periods of maximum tension.

5. The polemical lull was not matched by any reduction in the competition for influence over the Asian parties. During the first half of this year, North Korea's association with China has been strengthened, the Indonesian Communist Party has clearly moved away from Soviet leadership and towards Chinese positions, the Soviets have been forced to mount a fairly open counterattack upon Chinese influence among Japanese Socialists and Communists, and recent reporting suggests gains for the pro-Chinese faction in the Indian Party. As of today, North Vietnam may be the only "neutral" of any consequence in the entire Communist movement.

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The Move Toward Yugoslavia

6. With the involvement of Albania in the Sino-Soviet dispute, the question of attitudes toward Yugoslavia, always a key difficulty between Moscow and Peiping, became even more intractable. Khrushchev periodically has defied agreed Communist doctrine on this question. At the banquet which followed the Moscow Conference of 1960, he made nonsense of the 81-party document which had just been laboriously coordinated, and which formally condemned the Yugoslavs, by flatly declaring that Yugoslavia was building socialism. His public statements to this effect, which touch one of the rawest Chinese nerves and terrify the Albanians altogether, have become increasingly frequent and finally culminated last month in an invitation to Tito to visit the USSR. The fact that the Soviets had embarked upon this rapprochement when they dispatched their letter of 22 February leaves no doubt about who was expected to make the concessions required if the parties were to "raise themselves above differences," as the letter urged, and refrain from "arbitrary interpretations" of the 1960 document.

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What is the Socialist camp?

7. The CEMA conference of 6-7 June was undoubtedly concerned to further the integration of member economies and to consider the impact on them of Common Market developments. But the real significance of what happened lies in the implications for Bloc relations. Albania has become de facto a nonmember. A charter amendment has removed the exclusively European character of the organization to permit the admission of Outer Mongolia. With these two acts, CEMA now has a new political character; it includes all Bloc states which are loyal to Moscow as opposed to Peiping and leaves outside all (China, North Korea, North Vietnam, Albania) which do not meet this criterion. A report that these states, except for Albania, were invited to join does not invalidate the significance of this development, since the exclusion of Albania posed a clearly unacceptable condition for the Chinese.

8. CEMA is not, of course, proclaimed as a political organization. Nor is it explicitly identified as constituting the "socialist camp." But the communique, and subsequent Soviet editorials, repeatedly employ such phrases as "the socialist camp," "the socialist commonwealth," and "the world socialist system" in usage almost (but not quite) equivalent to "the countries

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participating in CEMA." CEMA forms of cooperation are treated as hallmarks of the characteristics of building socialism and communism; participation in this cooperation is treated as all but indispensable to the building of socialism. The result is an impressionistic effect in which the two concepts, "CEMA countries" and "socialist camp," are assimilated to each other.

9. The message of all this to the Chinese appears to be roughly as follows: we CEMA members are going all out to build an economic entity based on mutual self-help and Soviet leadership. This entity is the true core of the socialist camp. You have chosen to deny yourself these advantages, and so long as you remain in sin, you can expect no assistance from us. We do not yet consider you outside the pale, but you are not really a full-fledged member of the camp in all senses. We are not afraid, as you see, to draw organizational consequences from your persistence in error. Don't you think you'd better reconsider?

10. This is not a "definitive break," in the sense in which that term was used in NIE 11-5-62. Nor is it an irreversible act; presumably the Chinese have the option of making

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concessions and seeking to resume their observer status in CEMA, in which case the USSR would refrain from pushing CEMA to the fore as the embodiment of the world socialist system. But this newest move is an important step toward that organizational separation which -- along with open charges of deviation -- we put forth in NIE 11-5-62 as the actions which would convert a serious breach into a definitive break.

11. The importance of the move is underscored by the price which the Soviets were willing to pay. The line drawn at the CEMA meeting to exclude China was one that was clearly difficult, and proved in fact impossible, for North Korea and North Vietnam to cross; their observers did not attend. The USSR may have decided here to consign these countries to China's sphere of influence, but it is likely that Moscow will seek, via bilateral inducements and pressures, to continue the competition with Peiping in both Pyongyang and Hanoi.

Perspectives

12. The outlook is confused, not only to us but also, in all probability, to the parties involved. Neither the Soviets nor the Chinese are seeking a final break; both fear its

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consequences and are avoiding final decisions. But the breach has clearly widened, and in the process the Chinese have demonstrated anew that internal weakness verging on disaster will not dissuade them from maintaining their stand, while the Soviets have continued to insist that their authority must be recognized. It may be that the inconclusiveness of these last rounds of sparring have brought the two closer than ever to a final rupture. But both sides have shown a considerable capacity for muddling along, and the Soviets, after all their previous major attacks, have proven able to invent intermediate steps which postponed anew the evil day.

13. As Moscow attempts to cope with the Chinese challenge, it is in fact beginning to alter the bases of its relations with all Communist parties and many neutral or pro-Soviet states. The USSR increasingly must differentiate among the CEMA countries, China, and the Far Eastern Satellites, while Cuba and Yugoslavia present additional special cases which can neither be fully explained by Communist doctrine nor handled in practice along traditional lines. As a further complication, it must find a doctrinal place for such countries as Mali, Guinea, and Ghana, which Soviet propaganda portrays as on the road to

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Communist status. Unless they are to make a profitless retreat into Stalinism and sacrifice all the attractions of flexibility, the Soviet leaders perforce must operate in a more ambiguous environment, sharing in a number of alliances and relationships which vary in content and commitment. In short, they are increasingly subject to the normal pressures of international politics, and these are eroding the special structure of international communism which they have manipulated for four decades.

14. But this sort of adjustment requires the overcoming of great obstacles if it is to be carried far enough to be fruitful. It weakens the doctrinal base to which the Soviets still wish to refer their authority. Further, it requires them to limit that authority to what the traffic will bear on each separate road, yet it is hard to deny one partner (e.g., Poland) as much independence as was allowed to another (e.g., Yugoslavia). Lastly, this adjustment does not really solve the problem of China; Peiping finds in it further supporting arguments for its charges of revisionism, and is still able to mount these charges from within the movement.

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15. Therefore, even though the Soviets are moving in this direction in a planless sort of way, we think that the opportunities of such a course are too limited to provide a real solution to the Sino-Soviet problem. Thus we anticipate that the Soviets will persist in their assertions of authority and their periodic attempts to force Peiping to acknowledge this authority, and we think it unlikely that the Chinese will submit. Any one of these future attempts might prove too much for what remains of the alliance, though neither side would have deliberately aimed at a formal rupture. And if an overt break is avoided, Sino-Soviet relations will probably be marked by increasing acrimony, competition, and even hostility.

FOR THE BOARD OF NATIONAL ESTIMATES:



ABDOT SMITH
Acting Chairman

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